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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Eighty-fifth Meeting
Montreal, 25-29 May 2020
Postponed to 19-22 July 2020*

PROJECT PROPOSAL: ZAMBIA

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage I, fifth tranche) UNEP and UNIDO

* Due to coronavirus disease (COVID-19)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Zambia

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (Stage I)	UNEP (lead), UNIDO	64 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	2.20 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2019	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Serviceing				
HCFC-22					2.20				2.20

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	5.00	Starting point for sustained aggregate reductions:	5.00
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	1.75	Remaining:	3.25

(V) BUSINESS PLAN		2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.2	0.2
	Funding (US \$)	33,900	33,900

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	5.0	5.0	4.5	4.5	4.5	4.5	4.5	3.3	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	5.0	5.0	4.5	4.5	4.5	4.5	4.5	3.3	n/a	
Agreed funding (US\$)	UNEP	Project costs	40,000	0	40,000	0	0	35,000	0	30,000	0	30,000	175,000	
		Support costs	5,200	0	5,200	0	0	4,550	0	3,900	0	3,900	22,750	
	UNIDO	Project costs	70,000	0	0	0	0	70,000	0	0	0	0	0	140,000
		Support costs	6,300	0	0	0	0	6,300	0	0	0	0	0	12,600
Funds approved by ExCom (US\$)	Project costs		110,000	0	40,000	0	0	105,000	0	30,000	0	0	285,000	
	Support costs		11,500	0	5,200	0	0	10,850	0	3,900	0	0	31,450	
Total funds requested for approval at this meeting (US\$)	Project costs											30,000	30,000	
	Support costs											3,900	3,900	

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Zambia, UNEP as the lead implementing agency has submitted a request for funding for the fifth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$30,000, plus agency support costs of US \$3,900 for UNEP only.¹ The submission includes a progress report on the implementation of the fourth tranche, the verification report on HCFC consumption for 2016 to 2019 and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of Zambia reported a consumption of 2.20 ODP tonnes of HCFC in 2019 under its country programme (CP) report, which is 56 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Zambia (2015-2019 Article 7 data)

HCFC-22	2015	2016	2017	2018	2019*	Baseline
Metric tonnes	55.00	50.00	45.00	40.03	40.00	90.90
ODP tonnes	3.03	2.75	2.48	2.20	2.20	5.00

*CP data

3. The gradual decrease in consumption of HCFC-22 since 2015 is due to the implementation of HPMP activities *inter alia* strict enforcement of the licensing and quota system, the training in the servicing sector and awareness-raising activities informing the stakeholders on alternatives to HCFCs, and the inflow of refrigeration and air-conditioning (RAC) equipment based on HFCs and R-600a (domestic refrigerators and commercial refrigeration units).

CP implementation report

4. The Government of Zambia reported HCFC sector consumption data under the 2018 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government is effectively implementing a licensing and quota system for HCFC imports and exports; that the consumption of HCFCs reported under Article 7 of the Montreal for 2015 to 2018 and under CP implementation report for 2019 was correct (as shown in Table 1 above); and that Zambia was in compliance with both the Montreal Protocol reduction schedule and the targets in its Agreement with the Executive Committee. The verification recommended further strengthening the cooperation between the national ozone unit (NOU), customs department and other enforcement officials to reconcile import data and to combat illegal ODS imports; issuing import licenses on the condition that the importers have submitted reports on its previous ODS imports; and conducting more inspections by the NOU at the point of entry to ensure identification of ODS. UNEP confirmed that the recommendations will be implemented during the fifth tranche.

Progress report on the implementation of the fourth tranche of the HPMP

Legal framework

6. Zambia's ODS regulations gazetted in the Statutory Instrument No. 27 of 2001 were revised in 2011 to incorporate further control measures on the phase-out of ODS including HCFC. The regulations

¹ As per the letter of 11 March 2020 from the Zambia Environmental Management Agency to the Secretariat.

control imports and exports of ODS and ODS-based equipment, and provide for licensing and quota systems, and a requirement for labelling HCFC containers.

7. The Zambia Environment Management Agency (ZEMA) is mandated to license the importation, distribution and disposal of ODS. All ODS-based equipment is monitored and controlled by ZEMA in collaboration with Customs Division at the entry points. The restriction or banning of HCFC-based equipment is incorporated in the Environmental Management Licensing Regulations of 2013.

8. The amended ODS regulations provide for the registration of importers; and the mandatory certification of technicians has been implemented since January 2015. The Government further adopted the Environmental Impact Assessment guidelines which also identify and safeguard against projects that might use ODS including HCFCs.

Refrigeration servicing sector

9. The following activities were undertaken:

- (a) Conducting three workshops to train 45 customs and law enforcement officers on the enforcement of ODS import control, policy and regulations, preventing illegal ODS imports, and safe handling of refrigerant cylinders during customs inspections; and the use of identifiers to identify refrigerants and blends;
- (b) Training of 60 technicians on the standard procedure for installing and servicing RAC equipment; safe handling of flammable refrigerants; raising awareness on potential energy savings through proper servicing and maintaining equipment in good condition; and
- (c) Certification of an additional 140 refrigeration technicians after completion of the course on ozone-friendly technologies at the vocational training centre.

Project implementation and monitoring unit (PMU)

10. The NOU coordinated and monitored the activities implemented under the HPMP. Two consultants were employed to assist in monitoring the implementation of activities, collecting data and preparing progress reports. The expenditure of PMU amounts to US \$5,000, including the salary of the consultants, travel, workshops and meetings.

Level of fund disbursement

11. As of March 2020, of the US \$285,000 approved so far, US \$284,910 had been disbursed (US \$144,910 for UNEP and US \$140,000 for UNIDO) as shown in Table 2. The balance of US \$90 will be disbursed in 2020.

Table 2. Financial report of stage I of the HPMP for Zambia (US \$)

Tranche		UNEP	UNIDO	Total	Disbursement rate (%)
First, second and third	Approved	115,000	140,000	255,000	100
	Disbursed	115,000	140,000	255,000	
Fourth tranche	Approved	30,000	0	30,000	99
	Disbursed	29,910	0	29,910	
Total	Approved	145,000	140,000	285,000	99
	Disbursed	144,910	140,000	284,910	

Implementation plan for the fifth and final tranche of the HPMP

12. The following activities will be implemented between June 2020 and December 2021:
- (a) Two workshops for 30 customs officers on monitoring import, export and trade of HCFCs and on practical skills for identifying ODS pure and contained in blends; raising awareness on the updates of ODS regulations; and purchasing one refrigerant identifier to strengthen the customs training school (UNEP) (US \$10,000);
 - (b) Two workshops for 40 refrigeration technicians in good service practices and safe handling of flammable refrigerants during installation, servicing and disposal of RAC equipment; one seminar to share information and experience in adopting low-GWP alternatives to HCFCs; and developing and disseminating awareness-raising materials on transportation and storage of equipment and refrigerants, as well as potential risks associated with the handling of flammable refrigerants (UNEP) (US \$15,000); and
 - (c) Project implementation, coordination, monitoring and reporting of activities planned for the fifth tranche. One consultant will be employed to assist the NOU in monitoring, collecting data and preparing a report (UNEP) (US \$5,000 with the following breakdown: US \$1,000 for one consultant, US \$1,000 for travel and US \$3,000 for workshops and meetings).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Progress report on the implementation of the fourth tranche of the HPMP*Legal framework*

13. The Government of Zambia has already issued HCFC import quotas for 2020 at 2.2 ODP tonnes, which is 33 per cent below the Montreal Protocol control targets of 3.3 ODP tonnes.

14. The Secretariat inquired about the implementation of the regulatory measures planned to control the import of HCFC-based equipment. UNEP responded that the Government was in the process of developing an instrument to ban the import of HCFC-based equipment, expected to come into effect in January 2021.

Refrigeration servicing sector

15. The Secretariat inquired about the types of equipment using R-600a. UNEP clarified that they were mostly domestic and commercial refrigeration units, such as domestic fridges, drink dispensers, freezers and standalone display units. All the equipment is new and made for using hydrocarbons. The Government has advised users not to retrofit equipment that was originally designed for HCFC or HFCs due to safety reasons. Safety issues in using flammable refrigerants (R-600a, R-290, NH₃ and other natural refrigerants) are also covered in the training of technicians.

16. The Secretariat inquired whether the certification system for technicians was mandatory, given that flammable refrigerants were being used for servicing new domestic refrigerators and commercial refrigeration units cooling systems. UNEP clarified that the certification system for technician training was mandatory; technicians are certified and registered after taking the training courses provided by the authorized vocational training institutions in accordance with ODS control regulations. Only certified technicians are allowed to purchase refrigerants or service equipment.

17. UNEP indicated that stage I of the HPMP for Zambia will be completed in accordance with paragraph 14 of the Agreement between the Government and the Executive Committee; and that stage II of the HPMP is scheduled to be submitted to the 86th meeting.

Gender policy implementation²

18. UNEP informed that based on the gender mainstreaming policies of the Multilateral Fund, UNEP and UNIDO, implementation of this tranche will take gender equality and women’s empowerment into consideration at all levels and in all aspects, including the project board, project management team and consultants, and promoting the participation of female practitioners in training and consultation workshops.

Sustainability of the HCFC phase-out

19. The Government of Zambia is enforcing a licensing and quota system, and a ban on the import of HCFC-based equipment is being developed to be effective by 1 January 2021. A mandatory certification system for servicing technicians is in place since January 2015 to sustain capacity development in the servicing sector; and ozone-related issues have already been incorporated into the training curriculum of the customs training school. These measures will ensure the sustainability of the HCFC phase-out.

Conclusion

20. Zambia’s HCFC consumption of 2.20 ODP tonnes in 2019 was 56 per cent below the baseline and 51 per cent below the control target set in its Agreement with the Executive Committee. The Government achieved additional progress in HPMP activities, including the training of customs and law enforcement officers, and technicians with an emphasis on safety in handling flammable refrigerants. The Government is also implementing a mandatory certification system for technicians. The recommendations contained in the verification report will be implemented during the fifth tranche. The disbursement rate of funds from previous tranches has reached 99 per cent.

RECOMMENDATION

21. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the fourth tranche of stage I of the HCFC phase-out management plan of (HPMP) for Zambia; and further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for Zambia, and the corresponding 2020-2021 tranche implementation plan, at the funding level shown in the table below, on the understanding that if Zambia were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fifth tranche)	30,000	3,900	UNEP

² Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.